



General Assembly

February Session, 2000

Amendment

LCO No. 5193

Offered by:

SEN. SMITH, 14th Dist.

To: Subst. Senate Bill No. 525

File No. 422

Cal. No. 317

(As Amended)

"An Act Making Changes To Various Sales And Use Tax Statutes And The Admissions And Dues Tax Statutes."

1 After line 810, insert the following:

2 "Sec. 23. (NEW) (a) For purposes of this section:

3 (1) "Qualifying pupils" means individuals who (A) are residents of
4 the State of Connecticut, (B) are under the age of twenty-one at the
5 close of the year for which a credit is sought, and (C) during the school
6 year for which a credit is sought were full-time pupils enrolled in
7 kindergarten to grade twelve, inclusive, at any school in this state;

8 (2) "Qualified education expense" means the amount incurred on
9 behalf of a qualifying pupil in excess of two hundred fifty dollars for
10 tuition at the school in which the pupil is enrolled during the regular
11 school year;

12 (3) "School" means any elementary or secondary school in this state;
13 and

14 (4) "Custodian" means a Connecticut resident who is a parent, or a
15 legal guardian, of a qualifying pupil, provided only one taxpayer may
16 qualify as a custodian for a qualifying pupil in any taxable year.

17 (b) For taxable years commencing on or after January 1, 2001, any
18 person subject to the tax under chapter 229 of the general statutes, (1)
19 who is the custodian of a qualifying pupil and (2) in the case of any
20 such taxpayer who files under the federal income tax for such taxable
21 year as an unmarried individual or as a married individual filing
22 separately whose Connecticut adjusted gross income does not exceed
23 fifty thousand dollars and in the case of a taxpayer who files under the
24 federal income tax for such taxable year as a head of household or as
25 married individuals filing jointly whose Connecticut adjusted gross
26 income does not exceed one hundred thousand dollars shall be entitled
27 to a credit in determining the amount of tax liability under said
28 chapter in an amount equal to twenty-five per cent of the qualified
29 education expense, or five hundred dollars, whichever is less.

30 (c) The credit may only be used to reduce such qualifying taxpayer's
31 tax liability for the year for which such credit is applicable and shall
32 not be used to reduce such tax liability to less than zero.

33 (d) The amount of tax due pursuant to sections 12-705 and 12-722 of
34 the general statutes shall be calculated without regard to such credit.

35 Sec. 24. (NEW) (a) For taxable years commencing on and after
36 January 1, 2001, a credit is allowed against the taxes imposed by
37 chapter 229 of the general statutes for the amount of voluntary cash
38 contributions made by the taxpayer during the taxable year to a school
39 tuition organization, but not exceeding four hundred dollars in any
40 taxable year. The four hundred dollar limitation also applies to
41 taxpayers who elect to file a joint return for the taxable year. A
42 husband and wife who file separate returns for a taxable year in which
43 they could have filed a joint return may each claim only one-half of the
44 tax credit that would have been allowed for a joint return.

45 (b) The credit allowed by this section is in lieu of any deduction

46 pursuant to Section 170 of the Internal Revenue Code and taken for
47 state tax purposes.

48 (c) The tax credit shall not be allowed if the taxpayer designates the
49 donation for the direct benefit of any dependent of the taxpayer.

50 (d) For purposes of this section, "school tuition organization" means
51 a charitable organization in this state that is exempt from federal
52 taxation under Section 501(c)(3) of the Internal Revenue Code, and
53 allocates at least ninety per cent of its annual revenue for educational
54 scholarships or tuition grants to children to allow them to attend any
55 qualified school of their parents' choice; and "qualified school" means
56 a nongovernmental primary or secondary school that complies with all
57 state and federal anti-discrimination laws.

58 Sec. 25. (NEW) In the case of any student who is a dependent of a
59 taxpayer receiving a tax credit under section 23 of this act or who
60 attends a qualified school funded in whole or in part by contributions
61 pursuant to section 24 of this act, the school district where such
62 student resides shall continue to receive the educational funding that
63 would be payable if such student attended the public schools of that
64 school district.

65 Sec. 26. Sections 23 to 25, inclusive, shall take effect from their
66 passage and sections 23 and 24 shall be applicable to taxable years
67 commencing on or after January 1, 2001."